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Jeffrey M. Nelson
Chief Legal Officer

October 30, 2018

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of Duke Energy Carolinas, LLC for Approval of the Transfer and
Sale of Property Located in Franklin, North Carolina

Docket No. 2018-337-E

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed Duke Energy Carolinas, LLC ("DEC" or "Company") filing in the above referenced docket. Based on the review, ORS does not oppose the filing submitted by the Company for the transfer and sale of property in Franklin, NC ("Property") to Hendon Properties, LLC ("Hendon Properties").

South Carolina Code Ann. § 58-27-1300 requires the Company to obtain permission from the Public Service Commission of South Carolina when the Company wishes to "sell, assign, transfer, lease, consolidate, or merge..." real property with a fair market value in excess of \$1,000,000.

The Property is a tract of vacant land containing an area of 4.5 acres of utility property and was acquired as part of a tract that was intended to serve as the site for a substation for a residential neighborhood. However, it has been determined that the substation will be developed on a portion

Letter-Jocelyn G. Boyd
Page 2 of 2
October 30, 2018

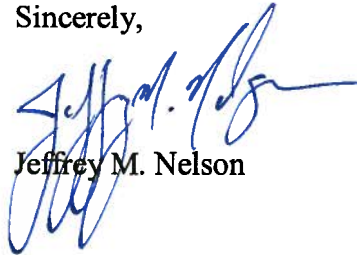
of the originally-acquired tract, rendering the Property as surplus.

The Company has had the larger, 9-acre property, of which this Property is a part of, appraised by Integra Realty Resources of Raleigh and determined the Fair Market Value of the 9-acre property to be \$2,980,000. The appraisal calculated the value of the property at \$7.60 per square foot. Applying the square foot valuation to the 4.5-acre tract produces a valuation of the Property of \$1,489,752. In Order 2017-638 the Commission approved the transfer and sale of the larger 9-acre property to Braddock Way Development, LLC. That transfer, and sale was not completed, and, after re-marketing the property, DEC's brokers identified a purchaser for a 4.5-acre portion of the larger property. The Property is currently under contract to be sold to Hendon Properties for \$1,750,000.

The original cost of the Property being sold will be credited as a reduction of the amount carried upon the books of the Company under Account 101, "Electric Plant in Service." The difference between the sales price and the original cost of the Property will be applied to Account 421.10, "Gain on Disposition of Property".

If you have any questions, please do not hesitate to contact me.

Sincerely,



Jeffrey M. Nelson

cc: Joseph Melchers, Esquire (via E-mail)
All Parties of Record (via E-mail)